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ABSTRACT

The primary focus of this study is to determine the financial condition, past and present, of the 41 member institutions of the Association of Independent Colleges and Universities of Ohio (AICUO), and to build the best possible case for substantially increased use of these institutions by the State and by the people of Ohio. The study process includes an exhaustive statistical survey of each institution, an investigation of State support of private institutions in other states, and an assessment of the management and planning procedures of these institutions. Findings show that many Ohio private colleges are mired in a deficit economy which, according to reliable indicators, will get worse unless present trends are effectively reversed. Recommendations are made to alleviate this and other critical problems at hand. (HS)

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EFFECTIVE UTILIZATION
of
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STATE of OHIO

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TOWARD AN EFFECTIVE UTILIZATION OF INDEPENDENT COLLEGES AND UNIVERSITIES BY THE STATE OF OHIO

A Report prepared by a Panel
appointed by the Academy for
Educational Development, Inc.

for

THE ASSOCIATION OF INDEPENDENT
COLLEGES AND UNIVERSITIES

of

OHIO

January, 1971

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I. FOREWORD

The Association of Independent Colleges and Universities of Ohio, in order to accomplish one of its major objectives as an Association, has sponsored the Ohio Study of Independent Higher Education.

The first step in this study was the accumulation of basic data on the past operations and the future projections of the programs of its member institutions. These data were collected under the skillful leadership of the Academy for Educational Development, in particular the leadership of Dr. Sidney G. Tickton and Dr. Chester M. Alter.

The printouts of this massive information, including 165 kinds of data resulting in 500,000 computer characters, have already been made available to the Association and will be utilized in many reports yet to be prepared by the Association of Independent Colleges and Universities of Ohio.

This report, entitled, *Toward an Effective Utilization of Independent Colleges and Universities by the State of Ohio,* is the first one to be developed from these data. The report prepared under the direction of a distinguished panel of citizens of Ohio and nationally known educators, will be distributed widely in the educational community of Ohio, to the executive and legislative branches of government of the State of Ohio, the Ohio Board of Regents and interested citizens.

The recommendations of the panel and the information about the member institutions embodied in this report speak for themselves. The fact is that within this state there exist educational resources, diverse in character and objectives, which have made their significant contribution over many years and which in the future should be utilized by the State of Ohio for the public good. We invite the people of the State of Ohio to consider with care this case for the effective utilization of these educational resources.

It is the intention of the Association to provide other reports from these basic data, descriptive of the financial and human resources of the member institutions of the Association of Independent Colleges and Universities of Ohio. In addition, the Association will embark on a continuous program of annually updating the basic data.

It is with extreme pleasure that the Association of Independent Colleges and Universities of Ohio recognizes the generosity of the George Gund Foundation of Cleveland, Ohio, whose forty-seven thousand five hundred dollar grant has made possible the collecting and analyzing of the basic data and the preparation of this first report. The late Mr. Gund believed in the importance of education and expressed that belief in establishing a foundation to support such significant educational ventures as the Ohio Study of Independent Colleges and Universities.

The Association wishes to express its gratitude to the Board of Trustees of the George Gund Foundation for their interest and support.

Now the Association of Independent Colleges and Universities of Ohio eagerly presents this report to the people of the State of Ohio with the sincere hope and conviction that it will make a difference in the future of higher education in our state and nation.

Ivan E. Frick, President
Association of Independent Colleges
and Universities of Ohio
and
Findlay College

II. SUMMARY

This study concerned itself with the 41 members of the Association of Independent Colleges and Universities of Ohio (AICUO), enrolling 85 percent or more of the students in all independent higher education institutions in Ohio. The primary focus of the study was to determine the financial condition, present and projected, of these institutions, and to build the best possible case for substantially increased use of these institutions by the State and by the people of Ohio.

The study process included an exhaustive statistical survey of each institution, an investigation of State support of private institutions in the other states and an assessment of the management and planning procedures of these institutions. During the process more detailed information (500,000 separate computer characters) was collected and tabulated for the independent colleges and universities of Ohio than had ever before been possible.

This study documented the present critical financial condition and the future prospects of Ohio's independent colleges and universities. Institutional expenses are rising faster than available income. The result: in some institutions there are operating deficits which are being met by drawing on capital or borrowing against the future.

Despite sharp increases in tuition, fees, and other student expenses, there is a widening gap between what the student pays and what his education costs the college of his choice. Last year Ohio independent colleges and universities as a group reported a combined net deficit of $3.5 million. The deficit total for the group as a whole is expected to grow to no less than $11 million ten years from now.

As for the common belief that private colleges are richly endowed, the facts of academic life, 1970, tell a different story. The total endowment of the AICUO member colleges amounts

to some $300 million, yielding an annual expendable income of about $15 million. This amounts to about $150 per student enrolled—less than 10 percent of their total expenses. But even this meager figure, like so many "averages", distorts the picture. For, as it happens, well over half of Ohio's total endowment funds are held by just two institutions.

Many Ohio private colleges are mired in a deficit economy which, according to reliable indicators, will get worse unless present trends are effectively reversed. Without new sources of support, some of these colleges will certainly perish. Others, perhaps the majority, will survive but only by making severe cutbacks that will lower the quality of education they offer, or by mortgaging their economic future. The cost to Ohio, in money and values more important than money, is incalculable.

America's "system" of higher education is distinctive in many ways; the number of students (and the proportion of their age group) enrolled: the trend toward the goal of college-for-all; the new drive toward flexible admission policies. But what makes the "system" unique is the number and diversity of the colleges, universities, and other post-high-school institutions that are involved in this "system". Well over 2,000 institutions today enroll 8,000,000 students in degree-granting courses. The differences between these colleges and universities—in curriculum, size, philosophy, style—is extraordinary.

One gauge of this diversity, which America rightly treasures, is the number and independence of *private* institutions of all kinds. In no other country of the world, whatever its political orientation, is higher education provided in so many variations and options, under so many different auspices, to serve so many different kinds of students.

In recent decades, as everybody knows, public institutions in the United States have been enrolling a constantly increasing share of high school graduates. Subsidized by tax dollars and responding with the assistance of state legislatures to the na-

tional push toward universal higher education, the state universities and colleges and the public community colleges are assuming a commanding position in terms of numbers. However, any roster of influential and prestigious institutions would still place in the highest rank dozens of independent colleges and universities, large and small: Harvard, Stanford, Amherst, Duke, Vassar, Notre Dame, Knox, Carleton, Bryn Mawr, and Vanderbilt, to name a select few outside the State of Ohio.

Comparisons between types of institutions are beside the point. It would be idle to weigh the merits of Berkeley against Columbia, Carleton against Harpur, Wisconsin against Cornell. The important point for consideration here is that all colleges and universities, public and private, are in deep financial trouble. The economic crunch that developed in the 1960's worsens. Prospects for the seventies are dark, and darkest for many of the private or independent institutions. And not for the small, obscure, poorly endowed colleges alone.

Three years ago, Harvard's President dispelled any doubts about the future facing large, prestigious, heretofore well-supported independent institutions when he announced the extent of Harvard's impending deficit. This past fall, Columbia University began its 1970-71 year with an $11 million deficit. Johns Hopkins, another illustrious university, is relatively not much better off and has announced the taking of corrective measures.

How is one to quantify the enduring value of these independent institutions, most of them more than a century old, with their diversity of tradition and offerings, with the broad freedom of choice they present to Ohio's young people? All that can be said in the compass of this report is that the plain accomplishments of these institutions (and their repute outside Ohio) attest their distinctive contributions to individual and social progress.

Easier to measure are other aspects of Ohio's independent colleges. Geographically, for instance, they equalize oppor-

tunity; most Ohioans live nearby one or another of these institutions. A gross measure of their worth is their combined physical value; plants with a book value of about $600 million, and total assets of approximately $900 million. If these institutions did not exist or were to close their doors, Ohio could accommodate their present student bodies only by increasing enrollment in its public universities by more than 50,000—the equivalent of the present enrollment of the Ohio State University.

Or to put it another way: to absorb the Ohio students now attending independent colleges in Ohio would require the State to build and operate a minimum of three new public institutions each as big as the average public university now in existence. The annual State appropriation for such institutions might aggregate $60 million a year and they would require at least $100 million of plant and equipment.

Still another crude measure of the value of Ohio's independent institutions of higher education is the high ratio of degrees granted to enrollment: in 1969-70, 41 colleges enrolling about 75,000 students granted close to 15,000 degrees.

There are some who say that there are too many young people already enrolled in higher education today, or are planning to enroll in the future, and that the financial pressure on colleges and universities would be reduced if the enrollment was lower. This position should be rejected as specious and retrogressive. There are *not* too many Ohioans going to college today. On the contrary, many additional young people could profit from further education beyond high school, for their own individual good, for the good of the State of Ohio, and for society as a whole. In today's world most of the rewarding jobs require more than a high school education. In its every aspect our modern complex society demands citizens who are broadly and liberally educated. Ohio's present colleges and universities both public and private must continue to help meet these needs.

What can be done to reinforce these educational adjuncts to Ohio's social, economic, and individual well-being? Two things are clear: 1) Whereas improved management practices and interinstitutional cooperation could effect certain economies, many forces outside the colleges and universities themselves are bound to increase the discrepancy between income and outgo; and 2) traditional means of raising income (notably tuition increases and private fund raising) have been virtually exhausted.

This study makes it clear that the financial future of most, if not all, of the independent colleges and universities in Ohio depends upon increased State participation in the use of these institutions by Ohio students. At least 34 of the 50 states have passed legislation providing some kind of involvement in the financing of independent higher education institutions. Ohio at present, does provide some tax funds (primarily through aid to students) to its independent colleges, but the magnitude is not great enough to assure a solid future to these institutions, nor to assure Ohio's young people true freedom in choosing between a private or public college.

Methods of state participation in the use of independent colleges vary widely from state to state (a classification of the chief forms appears on pp. 22-24). Although obviously Ohio should choose the combination of methods which best suits its particular needs and traditions, attention is called to the use of contracts for educational services as being especially appropriate.

To preserve and strengthen Ohio's independent colleges and universities will be no simple, short-range task; no one should underestimate the difficulties. To begin with, there are entrenched prejudices to overcome in some quarters, even on the part of the independent colleges themselves. Some of them, along with other groups and individuals, see the bugaboo of encroachment on private liberties, of state support bringing state control in its train. As Chapter VII sets forth in greater

detail, this danger is exaggerated and can be surmounted. Indeed, it is no longer possible to draw a sharp line between the public and private sectors in higher education as in other areas of society. Public colleges and independent colleges are not, or should not be, rivals; they serve a common cause—the public interest and especially the interest of Ohio's upcoming generations.

Just as important as shedding outworn ideas will be the active willingness of Ohio's independent colleges to meet new higher standards of educational effectiveness and managerial efficiency. A college can maintain its distinctive qualities without insisting on complete autonomy or rejecting significant cooperation with other institutions, (public or private) or with the State or Federal Government. For all their unique contributions to past and present Ohio, the independent colleges and universities have done little to exploit the economic and educational potential of joint planning and of sharing academic resources. The recent formation of the Association of Independent Colleges and Universities of Ohio is a promising step in the right direction. But the Association itself should be stronger, and the time has come to work out a mechanism for coordinating all higher education in Ohio, both public and independent. This and other critical issues are taken up in the recommendations that follow.

III. RECOMMENDATIONS OF THE PANEL

1. The State of Ohio Instructional Grants Program should be modified to insure its most effective utilization by Ohio college students and by the colleges providing instructional service under this program. The aim here should be to approach an equalization of the tuition charged by the public institutions, and that charged by the independent institutions, but not to exceed the actual educational costs at the public institutions.

2. Consideration should be given by the State of Ohio to the use of contracts for educational service provided to citizens of Ohio by the independent colleges and universities. It is recommended that this concept be applicable not only for specialized educational and training services such as Medicine, Dentistry, Nursing, Law, Education, etc., but also for general educational programs such as arts and sciences. The State can, in effect, purchase under contract many required educational services from the independent institutions at less cost to the taxpayer than by expanding similar programs in existing or new public institutions.

3. Consideration should be given by the State of Ohio, through appropriate agencies such as the Board of Regents, to the purchasing of required educational equipment (for instance, laboratory materials and library books) and the loaning of it to independent institutions as suggested in part in the proposed Master Plan—1971.

4. Although, in total, substantial enrollment increases without large expenditures for added facilities are possible, in some cases capital improvements or additions will be required by the independent institutions to accommodate such needed increases. Legislation might well be written

to permit additional state participation in financing facilities where required to increase enrollment.

5. In order to protect the professional schools within the public universities, as well as to enhance the State use of the programs in Arts and Sciences and general education in the independent institutions, consideration should be given to a limitation of enrollment in the Colleges of Liberal Arts and Sciences of the public universities, as well as their total enrollment.

6. In order to insure maximum effectiveness in the utilization of existing higher educational facilities and personnel within the State of Ohio, consideration should be given to the establishment of an appropriate device to provide for cooperative planning and cooperation between the public and private sectors of higher education. The Ohio Board of Regents is, and should remain, the responsible body representing the State of Ohio in financial and administrative matters pertaining to State funds and State-sponsored programs involving both public and private institutions.

7. The independent colleges and universities should make every effort to maintain an enrollment level commensurate with their physical and financial capacities and capabilities with special effort to increase particularly their enrollment of students from Ohio. It is not unreasonable to plan for an over-all increase in total enrollment in these forty-one colleges (with wide variation between institutions) by at least fifty percent, and possibly more, by 1980. It should be recognized that the fact that some institutions are now operating at, or near their capacities should not preclude their participation in any plan or program of state utilization of their service.

8. Each independent college and university should establish and maintain effective procedures for collecting and reporting up-to-date data relative to its operation and en-

gage itself in both continuous short-term and long-range planning efforts.

9. The independent institutions must prepare themselves to accept an inevitable increase in reporting and accountability to the State if they are to participate in State-financed programs.

10. The prestige, responsibility and effectiveness of the Association of Independent Colleges and Universities of Ohio as a coordinating body should be substantially and rapidly enhanced by increasing budget, staff, research effort and particularly by serving as a responsible spokesman for the independent sector of Ohio's higher education system.

11. The 1971 Master Plan for State Policy in Higher Education, recently offered for consideration by the Ohio Board of Regents, introduces a far-reaching and far-sighted plan for cooperation between the state and the private sectors. In the future development and implementation of these policies and plans there must be a responsible and responsive body to discuss, and to negotiate on behalf of the group of independent colleges. The Association should be this body. No longer can more than forty autonomous colleges each "speak for" the whole group. Neither can over-all progress be expected if forty different approaches or recommendations are made to those responsible for setting policy and implementing decisions.

12. The Association of Independent Colleges and Universities of Ohio, should exercise persuasion and encouragement to its individual members in areas where State-wide guidelines and objectives can be established, but at the same time insuring an appropriate diversity of styles of operation among the various institutions.

13. The Association should make every effort to encourage and assist its member institutions in achieving high stan-

dards of effectiveness and efficiency in terms of management policies and procedures to the end that the public can be assured that these institutions are well governed and well managed.

IV. THE PAST, PRESENT AND FUTURE OF THE INDEPENDENT COLLEGES AND UNIVERSITIES OF OHIO

THEIR HISTORY

Of the forty-one present members of the Association of Independent Colleges and Universities of Ohio (AICUO), thirty-three were founded before 1900, twenty-three of these before 1860. Only two of the existing members have been founded in the past twenty years. Of the twelve public universities in Ohio, seven were founded during the 1800's while five have been started during the twentieth century. One must conclude that interest in higher education in Ohio is an historic fact. It is also clear that the present independent colleges in this state have demonstrated a strength of purpose and a persistence of service which have given them a viability of which the present generation can be proud and thankful.

A volume could be written on the contributions made by these institutions and the people who have been associated with them. Not only have these contributions and innovations served the people of Ohio, but these institutions have played a significant part in the development of higher education in America. Ohio can be proud of its independent colleges and universities and thankful for the support given them through the past one hundred and fifty years.

These forty-one colleges are widely distributed geographically over every section of the State (see map, p. 33). Few people live anywhere in Ohio without having an independent college as a neighbor.

THEIR ACCUMULATED ASSETS

Through the generosity of donors over the decades these colleges have built plants now having a total book value of approximately six-hundred mil-

lion dollars and total assets approaching a billion dollars. These assets are invested for the purpose of providing educational opportunity to the youth of our time and in the future. These assets, for the most part, are not easily marketable or transferable to serve other economic or social purposes. They are committed to higher education. It is clear that they are serving this purpose.

THEY SERVE STUDENTS

The current enrollment in these forty-one independent institutions is well over seventy-five thousand students and is generally increasing. During the past decade the growth in total enrollment has been about thirty-five percent and the increase in full-time students has been nearly fifty percent.

Although the percentage varies widely from institution to institution, in total well over sixty percent of the full-time students in the independent colleges of Ohio are Ohio residents. This would be much higher were it not for a simple economic factor. Those families who can afford to pay the substantially higher tuition rates required in the independent colleges can afford to send their children out of state for their college education. Those who cannot afford to send their students out of state generally find it more difficult to pay the higher tuition in an in-state independent college and hence are economically forced to choose a lower tuition (not necessarily lower cost) public institution. None-the-less, and in spite of the tuition differential, nearly two-thirds of the students attending Ohio's independent institutions are Ohio residents.

Were it not for the existence of the already established and built independent institutions the State would be required to absorb into its present public institutions a number of Ohio students equal to the number of students now enrolled in the largest of the public universities. If future enrollments in the public universities are held to current enrollments, they could

not absorb the Ohio students now attending private institutions. Hence, a transfer of these students from the private to the public colleges would require the building and operation of at least three additional public institutions each of the size of the average public university in Ohio.

MIGRATION OF STUDENTS TO AND FROM OHIO

The mobility of students across state lines is an increasing phenomenon and one that raises serious problems for both the public and private sectors of America's higher education.

According to a recent survey by the U.S. Office of Education in 1968-69 there were 61,378 students from out-of-state enrolled in all the colleges and universities, both public and private, in Ohio. During the same year, 51,017 citizens of Ohio were enrolled in the colleges and universities located in the other states and territories.

This across-the-state-line migration results in a *net* in-migration of 10,361 students into Ohio.

In addition there were 3,538 students from foreign countries studying in the institutions in Ohio.

The same report shows a total of 259,605 Ohio students enrolled in Ohio institutions.

THEY PRODUCE COLLEGE GRADUATES

The productivity of a college is difficult to measure qualitatively and seldom measured quantitatively. One would suppose however, that one quantitative yardstick that could be used to measure the productivity of a particular college or a group of colleges would be to count its graduates. If a college says that one of its objectives is to award degrees to those who satisfactorily complete its various curricula, then the number of degrees awarded

each year is a legitimate measure of productivity. The following are the responses for three different recent years and projections for five and ten years in the future:

1960-61	38 colleges granted	7,773 degrees
1965-66	39 colleges granted	10,741 degrees
1969-70	40 colleges granted	15,080 degrees
1974-75	37 colleges expect to grant	16,024 degrees
1979-80	38 colleges expect to grant	19,369 degrees

In view of the fact that most of these institutions are four-year colleges offering only the baccalaureate degrees, this is a remarkably high rate of degree production relative to enrollment. Furthermore, in spite of increased mobility of college students and other factors tending to produce drop-outs or attrition, the increase in degrees granted over the past decade relative to the increase in total enrollment has been surprising.

One would hesitate to place any value on the social, cultural or economic impact of these more than fifteen thousand college graduates produced by the independent colleges of Ohio in 1969-70. All would agree, however, that without them and the numbers previously graduated and those to come, Ohio would be much the poorer as a place to live and a place to work.

V. THE ECONOMICS OF THE INDEPENDENT INSTITUTIONS

Although it can be said that history has shown that the independent colleges and universities of Ohio have been remarkably viable and stable economically over the past century, they now are facing increasing and, in many cases, critical financial difficulties. Some feel, and there can be little doubt about it, that this financial problem alone threatens the very existence of these colleges and their continued opportunity to serve the educational needs of the nation. The reason for this critical situation is the simple fact that institutional costs are increasing at a rate faster than income available to these colleges. This is now creating operating deficits, depletion of reserves and borrowings against the future.

The critical financial situation of the colleges and universities of the nation is highlighted in a recent study conducted for the Carnegie Commission on Higher Education by Dr. Earl F. Cheit. The following statements are from a Press Release by the Commission dated, December 3, 1970.

> "America's colleges and universities are in the midst of a financial crisis unmatched in its impact in any previous period in history. Many are continuing to operate only through the sacrifice of some of the programs and services normally considered important to their missions. An alarming number of others are headed in the same direction.
>
> Nationally, some 1,000 institutions, enrolling 4 million (56 percent) of the students are considered "heading for financial trouble." Another 540 institutions, enrolling about 1.6 million (21 percent) of the students in the nation are considered "in financial difficulty." An additional 800 institutions enrolling about 1.7 million students (23 percent) are considered "not in trouble."
>
> The institutions that are "headed for financial trouble" or are "in financial difficulty" are caught up in the worst of a situation in which demands for access, service, innovation

and higher quality are rising rapidly but income has not risen fast enough to keep pace with rising costs. This cost-income squeeze had 29 (or 71 percent) of the institutions in the "on site" studies either "headed for financial trouble" or "in financial difficulty."

According to the financial classifications developed by Cheit, institutions are considered "in financial difficulty" if because of their financial condition they have cut back on services that they regard as important parts of their programs. Institutions are considered "headed for trouble" if, at the time of the study, they had been able to meet current responsibilities without reducing important services but were unable to assure they could do so much longer or could not plan support for evolving program growth.

The fact that a college was classified as "in financial difficulty" does not warrant a judgment about the quality of its programs or its administration. In fact, it could indicate that an institution is doing relatively more than others to maintain its quality while bringing its income and expenditures into balance. Some of the highest quality institutions from an academic point of view fall into this category. For example, at New York University, one of the institutions in this category, a full statement published in December 1969 set forth reasons why the university could not continue operations at then current levels without adjustments. A 25-member University Commission was appointed to review the situation. A committee on the effective use of faculty resources reported within a month that in order to maintain faculty salaries at competitive levels for the next two years, modest increases in teaching loads and other economies should be put into effect."

It is not likely that the financial trends of the Ohio Colleges will be very much different from those of the nation as a whole. Unless adjustments are made in this trend in Ohio toward an increasing imbalance of income and expense, little hope can be seen for the future of this sector of our higher educational enterprise. Let us now look at some of these trends and some of the income-expense factors producing the imbalance.

TUITION AND FEES

Ten years ago tuition and fees charged the students produced 70 percent of the total educational and general income and met 76 percent of the educational and general expenses. Five years ago these percentages were 63 and 64. In 1969-70 this source of income ($110 million) was 64 percent of the total educational and general income ($173 million) of these forty colleges and 64 percent of the total educational expenses ($165 million).

During the decade of the 60's average tuition and fees charged students has increased from $748 in 1960-61 to $1,095 in 1965-66 and to $1,559 in 1969-70; a percentage increase of approximately 110 percent over the decade.

Whereas, ten years ago a student paying $748 in tuition and fees was taking care of 76 percent of the costs of his education (excluding board and room), in 1969-70 a student paying $1,559 in tuition and fees was paying only 64 percent of the costs. A more than doubling of the tuition charges has been accompanied by an even larger gap between what the student pays and what it costs his institution to provide the necessary educational services

It should be pointed out that this increase in educational costs has not been limited to the independent colleges. State institutions also have experienced the same inflationary cost spiral. This has been met by increased appropriations from tax resources. For them, state appropriations has been the major adjustable or variable source of funds. For the independent institution, tuition charges have been not only the major resource but also the major one which could be increased to meet the increasing cost of operation.

OTHER INCOME AND EXPENSES

Over and above the educational and general expenses of a college or university one finds other rising costs. Two kinds will be mentioned: auxiliary enterprises (primarily dormitory and food service) and student aid. Room and board charges in the independent colleges in 1960-61 averaged $650. By 1965-66 they had increased to $798 and by 1969-70 they averaged $946 per year. This 45 percent increase barely met the increased cost of operating these facilities and produced an insignificant surplus applicable to the losses incurred in operating the educational programs. It is important however to note:

First: the room and board charges added to the also increasing tuition and fees have combined to produce a total charge to students of over $2,500 per year on the average in 1969-70 and estimates indicate these will increase to over $4,000 per year by 1979-80. Only ten years ago the total charge to students (tuition, room and board) averaged less than $1,400 per year. One wonders how many can afford this level of charge.

Second: the matter of student aid as an expense item in the total cost of operation of the colleges. This too has increased. In 1969-70 the forty reporting independent colleges and universities provided about $22.5 million for student financial assistance, whereas their income from all sources designated for this purpose amounted to less than $14 million, a net cost of nearly $9 million. Ten years ago the net cost was about $2 million. The resources available to the colleges to provide necessary financial support of their students in need has just not kept pace with the requirements and has added to the financial plight of the institutions.

ENDOWMENT

One of the often stated fallacies about the independent colleges and universities is that they are wealthy because "they are heavily endowed". Endowment funds of these institutions are primarily the result of gifts by generous donors who over the decades have accumulated savings which they have given to these institutions to be invested by their Trustees, the earnings to be used for the general or, often, specific purposes of the colleges. The capital so invested ordinarily is not expendable; only the income is available for operating expenses.

In the group of AICUO institutions the total endowment amounts to about $300 million. This is a fine legacy left by past generations. The available expendable income from this source approximates $15 million per year. Although some of this is restricted to special purposes such as scholarships, the amount is a small part of the total required to meet the expenses of these colleges. For instance, this source of income amounts to only about $150 per student enrolled in the independent colleges of Ohio. This would pay less than ten percent of the educational and general expenses of these institutions.

Although this source of income is important to the independent institutions it should be noted that it is far from equally divided among the forty-one members of AICUO. Well over half of the total endowment funds are held by two institutions. Nearly half of the independent institutions in Ohio hold less than one million dollars each in their endowment funds. Projections indicate that these funds will grow at a slower pace during the decade of the 70's and can be expected to produce a much smaller proportion of total income required to meet the increasing expenses of operation of these institutions.

TOTAL INCOME —EXPENSE BALANCE

The three major areas of income and expenses involved in the total operational budget of the institutions have been analyzed above. How do these all add up? Ten years ago these independent institutions in Ohio with combined total operating budgets of about $60 million showed a combined surplus of about $1.5 million. By five years ago the combined budgets had increased to approximately $160 million with a total surplus of about $4.7 million. In 1969-70 the combined expenditures amounted to $237,226,000 and total income was $233,738,000 or a combined *deficit* of nearly $3.5 million. These institutions have estimated that their combined annual deficits will amount to $11 million by 1979-80.

Can it appear to anyone that the financial condition of the private sector of Ohio's higher educational system is not critical and unless methods are found to more effectively utilize and finance these institutions, they cannot survive as viable economic entities?

To make them viable requires substantial changes in their use and in methods of financing them. Otherwise, there is serious danger of losing many of them. When one considers their educational and economic contribution to the State of Ohio as well as the past investments in them, one must conclude that an effort to make them viable should be given a high priority.

Traditional means of increasing income (primarily by increasing tuition) do not seem to be practicable. Such means would make it impossible for them to continue to serve the cross section of young people who want to attend these independent institutions. It is obvious that other means must be found to make it possible for them to maintain and increase their enrollments and at the same time remain financially solvent.

VI. METHODS OF STATE PARTICIPATION IN THE UTILIZATION OF INDEPENDENT COLLEGES AND UNIVERSITIES

If one assumes that it is in the public interest for state governments to participate in providing financial support to individual citizens attending independent institutions and to these colleges and universities, it is useful to discover how such an objective can be approached. A recent study* by the Academy for Educational Development shows that at least thirty-four out of the fifty states have already passed legislation providing such support. The methods adopted vary widely from state to state.

As any state considers its proper role in helping to maintain the viability of the independent sector of higher education it will naturally have foremost in mind the basic rationale for the existence of all colleges and universities—public or private—namely, providing higher educational opportunities to those who can profit from it. It is reasonable to seek ways to insure maximum results at a financial level that the economy can bear. It is not surprising therefore that it is in the interest of the states to select those methods of encouraging the use of available independent colleges and universities which will be educationally useful and economically sensible. Ohio has already developed methods of support both for students attending independent colleges and for the colleges themselves, but in neither area is the level of financial involvement as great as it needs to be if (a) students are to have choices between attending a private or public college and (b) the future existence of the independent institution is to be assured.

A detailed description of the various methods of state involvement in the utilization of independent colleges and universities would not be appropriate in this report. However, some examples which have been found useful in various states

*A Limited Study of the status of state support of private higher education: Louise Abrahams and Leigh Scheweppe.

are cited below. The people of Ohio and particularly educational leaders and legislators should consider these potential methods and determine which alternatives might serve best in Ohio.

METHODS OF STATE PARTICIPATION USED IN VARIOUS STATES

I. Aid to Students
   A. Scholarships and Grants
      1. Merit
      2. Need or potential need
      3. Special Status (e.g. veterans, etc.)
      4. Tuition equalization
   B. Loans
      1. Direct to students
      2. Guaranteed through third party
      3. Matching

II. Per Capita Grants to Institutions
   A. Per student enrolled (limited to state residents)
   B. Per degree granted (either all fields or selected fields)
   C. Matching grants for State scholars
   D. Grants on basis of enrollment increase
   E. Tuition equalization

III. Support of Programs
   A. Unrestricted block grants
   B. Grants for support of specific programs
   C. Grants for operational support of a School or College
   D. Grants for plant operations
   E. Grants for support of research
   F. Grants for experimental programs

IV. Support of Special Services
  A. Cooperative Educational Television
  B. Computers—in collaboration with State institutions
  C. Regional library centers
  D. Assistance in purchasing
  E. Special Professorships

V. Support for Construction of Facilities
  A. Outright grants
  B. Loans
    1. Direct
    2. Guaranteed
    3. Short-term (for construction phase, etc. only)

VI. Tax Credit for Gifts
  A. Individual
  B. Corporate

VII. Tax Exemption
  A. Property
  B. Sales
  C. Use

VIII. Contract for Services Rendered
  A. For Specific Services
    1. Research (scientific, social or economic)
    2. Operation of Community Services
    3. Special Educational Programs
      a. Social Work
      b. Librarianship
      c. Adult Education
      d. Engineering
      e. Medical Education

f. Nursing

B. For General Educational Services
   1. Cost reimbursement
   2. Tuition equalization plus cash
   3. Lump sum basis
   4. On basis of "usual and customary" charge similar to purchase of hospital and medical service
   5. On basis of total in-state enrollment
   6. On basis of increase in in-state enrollment
   7. On basis of number of graduates
      a. Total
      b. In specific fields

CONTRACT FOR EDUCATIONAL SERVICES CONCEPT

Assuming that a state does have a basic responsibility for providing higher educational opportunity for its citizens, the question remains as to how this can be done most effectively and with due consideration to economic feasibility.

There are two major aspects to this problem and its solution. First, is the matter of providing financial assistance to those individuals who qualify for admission to college. Ohio has made a good start on providing limited support through the Ohio Instructional Grant Program. Second, is the matter of providing the facilities, faculties and supporting services of the institutions which the students attend.

There are two primary ways the State can approach the latter. One is to create and build State institutions of higher learning, universities and colleges, and operate them as state institutions. The other is for the State to purchase, under

contract with independent institutions, some of the required educational services. It is interesting to note that although this approach has been widely used in other areas such as in health, welfare and a wide variety of other services required by the State, it has only recently been utilized in the field of education.

States and the federal government, recognizing a public responsibility for providing medical care for many citizens, commonly contract with hospitals and with doctors to provide this service. Those citizens in need of medical care are given a wide freedom of choice of their hospital and of their doctor. The question of a state contracting with a private hospital even though it is owned and operated by a church or religious body is never raised. The concept of "usual and customary" fees paid by the government for these services has been widely adopted, always, of course, with the application of certain agreed upon standards and schedules of charges.

It is believed that the "contract for services" concept will be increasingly utilized by the states for more effectively providing a wider range of choice of colleges to the citizens and at the same time using the already available facilities and services of the existing independent colleges within the states.

Several states have adopted the "contract for educational services" concept in various forms. Recent legislation (June, 1970) by the State of Alaska is cited as an example.

> "Section 1. The purpose of this Act is to assist qualified Alaskan students selected by the designated authority to secure higher education in an institution of their choice, and to help retain qualified students in Alaska.
>
> ARTICLE II. CONTRACTUAL AGREEMENTS WITH PRIVATE INSTITUTIONS OF HIGHER EDUCATION.
>
> Sec. 14.40.900. CONTRACTUAL AGREEMENTS. The State shall, through the Alaska Higher Education Commission

> which has been authorized and created under AS 14.50.010 and 14.40.080, enter into contractual agreements with accredited, privately sponsored institutions of higher education in Alaska for the provision of educational services to Alaska residents. Payments under the contractual agreements shall include
>
> (1) full tuition and required fees charged by the institution for each student less charges made for the same items at the University of Alaska or the appropriate community college; and
>
> (2) an amount of $250 a semester for each full-time student and a pro rata amount for each part-time student.
>
> Sec. 14.40.910. EXCEPTIONS. No payment may be made for any course in sectarian religion or partisan politics under a contract made under sec. 900 of this chapter."

The Alaskan legislation bases the payments to the independent institutions on the differential between the usual and customary tuition charged by the public institutions and that by the private institutions, multiplied by the number of Alaskan students attending the latter, plus a flat fee (in this case, five hundred dollars per year) for each such student.

An alternative method is to provide a similar payment to the independent institutions on the basis of the number of graduates produced each year. Either of these two alternatives is worthy of consideration by the people of Ohio.

It is believed that since the "contract for services" concept is no different in principle from that traditionally and commonly used by states for the purchase of other services, the constitutional question of "church and state" does not arise.

VII. COORDINATION OF HIGHER EDUCATION IN OHIO

DIVERSITY AND AUTONOMY

In Ohio, as in the whole of America, great stress has been laid on the diversity of kinds of higher educational institutions. The fact of diversity is historic and its validity is almost universally recognized today. As one looks at the more than two thousand colleges and universities in America one finds among them some that are very small, some that are huge; some are for men, some for women, others include both sexes; some are primarily oriented toward the basic arts and sciences, some are slanted toward training for the vocations and professions; some are solely for undergraduates, some for post-graduates, others are for both. A large number were founded by and perhaps are still related to church bodies while others are private and independent. Still others are publicly owned and operated as arms of local, state or federal governments. Some are located in the quiet environment of rural or small town settings, others are physically placed in the confines of teeming cities.

But with all the differences, in spite of such wide diversities, our colleges and universities have much of a common basic purpose: to provide appropriate educational experience and growth to those who would come to learn. The choices are many and from the diversity of kinds of institutions as well as from the wide differential in individual needs, desires, and capabilities, the matching of a particular individual student and the most appropriate institution is not a simple process. It is not surprising that the match is sometimes not a good one. Perhaps it should be more surprising that the match turns out to be as satisfactory as it usually does.

Can anyone doubt the desirability and wisdom of maintaining this traditional diversity in kinds of institutions to provide educational services to the inevitability diverse needs of

a wide variety of human individuals? Can anyone doubt the wisdom of any effort to maximize the possibility of a good match between a student and his college? Recognizing that one college may be the best college for one student while it would be an improper college for another leads one to the conclusion that the reasons for a particular matching should be *good* reasons rather than factors that are largely arbitrary and unnecessary.

Assuming it is in the interest of our society and our nation or a state to see that every student citizen has the opportunity of attending the kind of institution which is best for him, it can be argued that it would be wise to find ways to insure that economic barriers are not arbitrarily established which, in effect, would produce something less than the best match between the student and a college.

But to point out the great values of a state having within its geographic boundaries a wide variety of kinds of colleges and universities each with its own purposes, style, size, standards and philosophy, is not to say that it is necessary for each institution to be completely autonomous and self-controlling or self-sustaining. Dealing as they do with the minds of men, they must all meet acceptable standards of how they go about the educational process. Accreditation agencies deal with this matter. It is generally agreed that this has been done with considerable success. Donors, consumers, and tax-payers who provide the financial resources from which the costs of operating institutions are paid also rightly exercise an effective control over institutions, both public and private. This is an inevitable economic fact of life.

Institutional autonomy has many virtues. But to the extent that institutional autonomy precludes the possibility of inter-institutional cooperation, it detracts from the probability that the total educational needs of society or a state will be effectively and efficiently met.

THE PUBLIC SECTOR

In the State of Ohio, as in many states where one finds a highly developed State system of higher education, a state-wide effort of coordination has been established through the Ohio Board of Regents. By looking at both state-wide higher educational needs and at total available resources, decisions are made with respect to the operation and growth of the public sector. Perhaps some will point out that the individual public universities have lost some of their former autonomy because of this state-wide coordinating effort. Retreat from coordination, however, is not realistic.

THE PRIVATE SECTOR

Within the private sector of higher education in Ohio there has historically been little joint planning, coordination or, except in fairly isolated cases and areas, little cooperative effort. Recently, however, more than forty of the private and independent colleges and universities have voluntarily organized themselves into the Association of Independent Colleges and Universities of Ohio. They have begun to study themselves and to present their findings to each other and to the public. Through such cooperation and coordinated efforts it can be anticipated that each institution and all as a group will be better able to serve the common cause of higher education in Ohio.

THE COMMON CAUSE

Considering the basic fact that all institutions, both public and private, serve similar purposes, acquire similar resources and, in general, have a common cause, it would appear desirable to take steps to accomplish greater cooperation and coordination between the public sector and the private sector of Ohio's total higher education

establishment. This might well be by direct inter-institutional collaboration between two or more public and private institutions on a regional basis. In a larger sense, however, statewide coordination of both sectors appears desirable. Such public-private coordinated efforts could be applied to such matters of concern as:

Uniform or, at least, compatible accounting and data reporting systems.

Development of systematic studies of costs and cost effectiveness.

Sharing of program and planning information.

Common use of standardized projection data for long-range planning.

Rational evaluation of data on institutional enrollment and attrition (due to drop-out or mobility).

Allocation rather than duplication of specialized educational and training programs.

Although there have been many examples of fruitful cooperation between the private and public institutions in Ohio, the pressures, both internal and external, of the future will tend to make such voluntary cooperation more difficult. The role of higher education and its institutions has become so important that the people cannot afford haphazard or unplanned and uncoordinated development.

A COORDINATING DEVICE IS NEEDED

Recognizing the obvious fact fact that great strides have recently been made toward coordination within the public sector through the Board of Regents and the obvious intent of the private sector to enhance the coordination of the work of member institutions

through the Association of Independent Colleges and Universities of Ohio, it would now appear timely to establish a mechanism or device for bringing these two agencies closer together. Such a device, with or without the power of legal sanctions, could go far in insuring the viability of both the public and private sectors which are currently so necessary and which historically have contributed so much to the high quality and large quantity of post-secondary education in Ohio.

Coordination and cooperation are conceived of as ways and means of enhancing the strength of both sectors of the valuable dual system rather than the destruction of either. A major objective would be the development of the special strengths of each sector, the maintenance of which is so important to the future of higher education as well as to the future of an unregimented, pluralistic society. Coordination does not destroy diversity, does not produce "sameness". It should provide strength to the several parts of the total enterprise and by strengthening these parts, the whole would be more able to meet the challenges of the future.

The investment in both sectors of Ohio's total higher educational establishment, in terms of economic assets, people and programs, is so vast that one cannot conclude that either should be used at less than maximum capacity. Likewise, the educational objectives and abilities of both are so similar that both should be enabled to serve the diverse educational needs of the college-age citizens of Ohio by maximizing the freedom of choice of the institutions they may wish to attend.

In order to preserve the very existence of the independent institutions so they may contribute to the common cause of higher education, it appears that a closer relationship between the Board of Regents and the Association could contribute much to both the public and independent institutions, individually as well as groups. To the extent such relationship

can enhance the freedom of choice offered the student in selecting his college, the interests of the State, the people and the institutions will be enhanced.

The time has come when the sharp distinction between the "public" and "private" sectors of higher education needs to be reinterpreted if not diminished. The economic as well as the educational values involved are now so large and so similar that there is little to be gained for each sector to be considered a separate entity. At the point of financial need, at the point of education objectives and at the point of public interest, the two sectors are likely to be considered one. To be sure they are different in major sources of support, different in ultimate control, sometimes different in size, and it has often been argued they are different in philosophy and style. Clearly, however, these differences, real or imagined, are decreasing in validity. Certainly they are blurred in the minds of the public. The question needs to be asked and answered: What is the current relevancy and truth about the almost complete division of higher education between the so-called "public" and "private" institutions?

There is probably as much real diversity between individual "private" institutions and between individual "public" institutions as there is between the two categories. Likewise, in many ways, some "private" and some "public" institutions are basically very similar.

The time is ripe for more cooperation and coordination between the two. Even more important, the time is here when the public should expect that *all* the established and proven institutions should be given the opportunity to serve in the ways they can serve best. If each is needed then each should be utilized and supported to the greatest possible extent.

VIII. APPENDICES

Location of Independent Colleges
and Universities in Ohio

ASSUMPTIONS FOR THE FUTURE

As the first step in the Ohio College Study, each member of the Association of Independent Colleges and Universities of Ohio compiled relevant data, historical, current and projected, which, taken together, tells much about the operation of these institutions. In order that the projections might have a common basis for comparability, the Academy prepared assumptions for the future to serve as guidelines for the colleges. Exhibit 1 presents these assumptions about conditions likely to exist in the United States as a whole while Exhibit 2 shows those pertaining to the State of Ohio.

It should be pointed out that the future validity of these assumptions cannot be guaranteed. Experience may require the modification of some of them during the decade of the seventies. For planning purposes, however, the making of assumptions for the future is a necessary ingredient of the process.

EXHIBIT 1—ASSUMPTIONS FOR THE UNITED STATES AS A WHOLE ENTERING INTO THE PROJECTIONS * 35

Item	Assumption
1. World Situation	World will remain at peace; neither a major war nor widespread disarmament will occur.
2. U.S. Gross National Product	Will rise from $930 million in 1969 to $1,500 million by 1980.
3. Price level for goods and services	Prices at spring 1970 levels are expected to increase at the rate of 4 per cent per year on the average.
4. Number of students enrolled in higher education	Will continue upward, reaching a total of 12,000,000 by 1980.
5. Enrollment at public colleges and universities	Will grow from 71% of the total in 1970 to 77% of the total by 1980.
6. Educational offerings and opportunities beyond the high school	Will expand to meet a wide variety of needs — professional, cultural, and technical.
7. Faculty salaries and benefits	Will rise faster than the cost of living in order to attract a sufficient number of capable people into college and university teaching, administration, and research.
8. Continuing education at the college and university level	Will expand; will include training or retraining of adults to meet expanding professional and technical demands of business and industry.
9. Financial aid to private higher education by government agencies, both federal and state.	Will increase over the years.
10. Foundation grants to higher education	Will follow the pattern of the past few years.
11. Individual and corporation gifts to higher education	Will grow at about the rate of the past few years.

* Prepared in May, 1970

EXHIBIT 2—ASSUMPTIONS FOR THE STATE OF OHIO ENTERING INTO THE PROJECTIONS *

Item	Assumption
1. Total population in Ohio	Will rise from 10,900,000 in 1970 to 12,300,000 by 1980.
2. Population, 18-24 years old	Will rise from 1,200,000 in 1970 to 1,500,000 in 1980.
3. Enrollment in public colleges and universities in Ohio	Will rise from 265,000 in 1969 to 425,000 by 1979.
4. State appropriation for higher education in Ohio	Will go from $265 million in 1971 to $600 million by 1980 or earlier.
5. Tuition and fees at public universities and colleges in Ohio	Will increase in line with patterns of recent years.
6. Gross personal income in Ohio	Will parallel the U.S. rise to 1980.
7. Migration of students	Net in-migration will continue during the next 10 years, but at a declining percentage of total enrollment, both at public and at private institutions.
8. Ohio Foundation of Independent Colleges	Fund raising through the foundation will rise from $1.8 million in 1970 to $2.5 million in 1974 and to $3.0 million by 1977.

* Prepared in May, 1970

TABLE 1—COMPOSITE ENROLLMENT DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Undergraduate resident degree credit students Full-time and Part-time	(39)* 47,419	(39) 60,933	(39) 63,232	(39) 72,477	(39) 79,219
Graduate resident degree credit students Full-time and Part-time	(6) 5,097	(7) 7,715	(7) 8,473	(7) 9,367	(7) 9,863
Total resident degree credit students	(35) 51,728	(35) 67,156	(35) 70,323	(35) 80,206	(35) 87,874
Total resident and extension students—total head count	(40) 57,599	(40) 74,261	(40) 77,184	(40) 86,744	(40) 94,914
Total Full-time equivalent students	(37) 44,529	(37) 60,696	(37) 63,944	(37) 73,442	(37) 79,964
Full-time—Ohio	(38) 23,162	(39) 32,417	(38) 33,916	(39) 39,333	(39) 43,443
Full-time—Other States	(38) 11,964	(39) 19,403	(38) 22,121	(39) 27,226	(39) 30,383
Full-time—Foreign	(38) 416	(39) 741	(38) 728	(39) 947	(39) 1,063
Full-time—Total	(39) 35,871	(38) 50,525	(38) 55,396	(38) 64,906	(38) 72,076
Total degrees granted	(38) 7,773	(39) 10,741	(40) 15,080	(37) 16,024	(38) 19,369

*Number of institutions reporting in parenthesis

TABLE 2—COMPOSITE FACULTY DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Total Full-time Equivalent Teaching Faculty	(38)* 2,705	(39) 3,726	(40) 4,633	(40) 5,102	(39) 5,471
Total Salary Faculty (000)	(36) $13,445	(38) $23,725	(40) $56,509	(40) $81,850	(40) $113,280
Total Fringe Benefits Faculty (000)	(35) $ 1,158	(37) $ 3,612	(38) $ 6,516	(38) $11,680	(38) $ 18,418
Average Faculty Salary	(35) $ 5,787	(38) $ 7,568	(40) $10,003	(40) $13,799	(40) $ 18,061
Average Fringe Benefits	(34) $ 509	(38) $ 758	(39) $ 1,245	(39) $ 1,917	(39) $ 2,674
Average Teaching Load per Faculty	(32) 13.2	(36) 12.4	(37) 11.7	(36) 11.7	(37) 11.6
Number Full-time Equivalent Students per Full-time Equivalent Faculty	(37) 16.2	(39) 17.0	(40) 14.6	(40) 16.0	(40) 16.4

*Number of institutions reporting in parenthesis

TABLE 3—AVERAGE STUDENT CHARGES DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Average Tuition and Fees	(39)* $ 748	(39) $1,095	(39) $1,559	(37) $2,168	(37) $2,718
Average Room and Board	(37) $ 650	(38) $ 798	(39) $ 946	(37) $1,174	(37) $1,439
Average Total Charge to Students	(39) $1,364	(39) $1,872	(39) $2,506	(37) $3,343	(37) $4,157

*Number of institutions reporting in parenthesis

TABLE 4—COMPOSITE ENDOWMENT DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Total Endowment (Book) (000)	(34)* $135,897	(34) $205,960	(35) $245,600	(40) $311,165	(40) $396,257
Total Income from Endowment (000)	(32) $ 5,499	(34) $ 8,612	(34) $ 11,693	(39) $ 16,011	(39) $ 21,387
Rate of Return (in percent)	(31) 4.3	(33) 4.2	(33) 4.7	(38) 5.3	(38) 5.4
Total Endowment (Market) (000)	(31) $141,474	(32) $220,784	(34) $255,217	(x) xxx	(x) xxx

*Number of institutions reporting in parenthesis

TABLE 5—COMPOSITE ASSETS DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Educational Plant & Equipment Book Value (000)	(34)* $ 76,874	(34) $114,703	(35) $191,140	(30) $257,377	(30) $301,782
Educational Plant & Equipment Replacement Value	(26) $119,829	(27) $183,495	(28) $202,453	(x) xxx	(x) xxx
Auxiliary Enterprise Plant & Equipment Book Value (000)	(32) $ 53,738	(32) $113,878	(35) $173,045	(30) $180,701	(30) $204,388
Auxiliary Enterprise Plant & Equipment Replacement Value (000)	(24) $ 55,339	(25) $118,018	(28) $188,104	(x) xxx	(x) xxx
Other Plant & Equipment Book Value (000)	(26) $ 8,725	(27) $ 16,299	(28) $ 24,778	(23) $ 28,480	(23) $ 33,982
Other Plant & Equipment Replacement Value (000)	(18) $ 33,311	(21) $ 54,478	(22) $ 30,964	(x) xxx	(x) xxx
Total Plant & Equipment Book Value (000)	(39) $227,583	(39) $382,992	(40) $598,958	(34) $688,061	(34) $784,953
Total Assets Book Value (000)	(37) $369,887	(37) $608,610	(38) $881,619	(32) $985,754	(32) $1,143,011

*Number of institutions reporting in parenthesis

TABLE 6—COMPOSITE DEBT DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Total Debt	(25)*	(27)	(30)	(20)	(18)
Short Term (000)	$ 7,106	$ 10,307	$ 15,736	$ 5,370	$ 5,450
Total Debt	(32)	(37)	(40)	(40)	(40)
Long Term (000)	$ 43,919	$102,365	$168,192	$189,068	$181,992
Total Debt	(24)	(32)	(34)	(34)	(33)
Service (000)	$ 5,514	$ 17,566	$ 29,573	$ 28,179	$ 26,383

*Number of institutions reporting in parenthesis

TABLE 7—COMPOSITE REVENUE DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Educational & General Revenue—Tuition	(38)*	(39)	(40)	(40)	(40)
& Fees (000)	$ 30,283	$ 70,796	$110,018	$175,076	$241,684
Educational & General Revenue—	(29)	(31)	(32)	(35)	(35)
Endowment (000)	$ 2,056	$ 7,680	$ 9,554	$ 12,307	$ 15,821
Educational & General Revenue—Private	(35)	(38)	(40)	(40)	(40)
Gifts (000)	$ 5,911	$ 13,485	$ 14,485	$ 18,814	$ 25,777
Educational & General Revenue	(38)	(39)	(40)	(40)	(40)
Total (000)	$ 43,131	$117,682	$172,513	$246,859	$329,234
Student Aid Revenue	(36)	(37)	(40)	(39)	(39)
Total (000)	$ 1,371	$ 8,013	$ 13,757	$ 18,600	$ 24,160
Major Public Service Programs Revenue	(2)	(2)	(4)	(5)	(5)
Total (000)	$ 17	$ 38	$ 208	$ 212	$ 237
Auxiliary Enterprise Total	(38)	(39)	(40)	(40)	(40)
Revenue (000)	$ 15,922	$ 35,107	$ 48,061	$ 66,160	$ 84,841
Grand Total	(38)	(39)	(40)	(40)	(40)
Revenue (000)	$ 60,367	$160,647	$233,738	$330,796	$437,439

*Number of institutions reporting in parenthesis

TABLE 8—COMPOSITE EXPENSE DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Educational & General Instructional & Departmental Research Expense (000)	(37)* $ 18,560	(39) $ 49,519	(40) $ 76,514	(40) $113,557	(40) $161,647
Educational & General Total Expense (000)	(38) $ 40,000	(39) $111,517	(40) $165,358	(40) $237,011	(40) $322,282
Student Aid Grants—Total Expense (000)	(38) $ 3,484	(39) $ 11,448	(40) $ 22,465	(39) $ 32,053	(39) $ 42,826
Major Public Service Program Expense (000)	(3) $ 291	(3) $ 487	(4) $ 658	(4) $ 711	(4) $ 881
Auxiliary Enterprise Total Expense (000)	(36) $ 14,988	(38) $ 32,591	(39) $ 47,339	(39) $ 63,457	(39) $ 82,096
Grand Total Expense (000)	(38) $ 58,180	(39) $155,871	(40) $237,226	(40) $333,331	(40) $448,535
Excess Revenue over Expense (000)	(33) +$1,557	(38) +$4,776	(40) −$3,488	(40) −$2,535	(40) −$11,096

*Number of institutions reporting in parenthesis

TABLE 9—COMPOSITE CONSTRUCTION DATA

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
Income for Construction & acquisition—grants, gifts, & government app. (000)	(29)* $ 8,171	(31) $ 14,012	(35) $ 74,123	(35) $ 30,637	(21) $ 6,572
Income for construction & acquisition—Loans (000)	(16) $ 6,966	(23) $ 13,948	(26) $ 18,629	(15) $ 6,920	(9) $ 1,330
For Construction & acquisition—Total Income (000)	(31) $ 17,628	(33) $ 33,504	(36) $ 96,962	(35) $ 40,702	(26) $ 15,921
For Construction & acquisition Total Expenditure (000)	(31) $ 19,503	(33) $ 35,435	(37) $105,753	(35) $ 54,480	(25) $ 16,674

*Number of institutions reporting in parenthesis

TABLE 10—SUMMARY—EXPENDITURE BY FUNCTION

Item	Actual 60-61	Actual 65-66	Actual 69-70	Projected 74-75	Projected 79-80
For Educational General	(37)*	(39)	(40)	(40)	(40)
Expenditure (000)	$ 39,392	$111,030	$164,194	$233,446	$317,543
For Student Aid	(37)	(38)	(40)	(40)	(40)
Expenditure (000)	$ 3,548	$ 11,489	$ 22,635	$ 32,178	$ 42,996
For Major Public Service Program	(2)	(2)	(3)	(3)	(3)
Expenditure (000)	$ 248	$ 300	$ 478	$ 440	$ 488
For Auxiliary Enterprises	(37)	(38)	(39)	(39)	(39)
Expenditure (000)	$ 14,983	$ 32,823	$ 47,519	$ 63,845	$ 82,486
For Plant Construction & acquisition	(28)	(32)	(35)	(33)	(22)
Expenditure (000)	$ 15,871	$ 27,385	$ 94,629	$ 43,846	$ 12,203
For increasing endowment or other	(16)	(19)	(15)	(19)	(18)
assets (000)	$ 4,000	$ 6,589	$ 5,178	$ 10,117	$ 11,262
Total	(38)	(39)	(40)	(40)	(40)
Expenditure (000)	$ 78,460	$189,082	$335,631	$383,207	$466,201

*Number of institutions reporting in parenthesis

THE OHIO MASTER PLAN—1971

PART a—INTRODUCTION

Although higher education has been a major enterprise in Ohio for a century and a-half, it was only as recent as six years ago that the first coordinated, statewide effort was made to develop a comprehensive policy statement and plan for the future development of public higher education in the State of Ohio. This document on which public policy could be established, was known as the *Master Plan—1966*.

In November, 1970, a draft of *Master Plan for State Policy in Higher Education—1971* was issued by the Ohio Board of Regents. The Board, in this document, sets forth a list of ten major issues which have to be resolved. Heading the list is "The Future of Private Institutions of Higher Education in Ohio." In the introduction to a discussion of this issue the Regents say "It will be to the social, educational, and economic advantage of Ohio and Ohio taxpayers to give still further attention to the welfare of our private colleges".

The Master Plan—1971, still under consideration, sets forth ten possible ways in which the private college and the state can together move toward the future viability of the private institutions. Because of the importance of these issues and the significance of a statement from the Board of Regents, these ten suggestions are excerpted from the draft of the Master Plan 1971, and are included as Part b, entitled *The State and Private Higher Education*.

Of equal importance is the response of the private colleges to the Master Plan—1971. Such a response of the AICUO was presented at a public hearing in December 7,1970, by Dr. Ivan Frick, President of Findlay College and of AICUO and supplemented by an additional statement by him on December 21, 1970. The data presented by President Frick is largely drawn from the AED Ohio College Study. It is clear

that this response should have wide circulation and full consideration by the Board of Regents, the Ohio legislature and by the people of Ohio. For this purpose the AICUO responses are included in this report as Parts c and d.

PART b
(An Excerpt from the Master Plan—1971)
THE STATE AND PRIVATE HIGHER EDUCATION

1. Privately sponsored and accredited colleges and universities should continue to perform their important educational services for the benefit of citizens of Ohio, the region, and the nation. A doubling of the enrollment in the private sector of higher education in Ohio during the decade of the 1970's is a desirable objective. The alternative to privately sponsored higher education with its operating support derived primarily from student charges and philanthropic giving is an ever larger burden upon the taxpayers of Ohio.

2. The enrollment expansion and financial welfare of Ohio's private colleges can be encouraged by the establishment of enrollment limitations for Ohio's public universities.

3. The enrollment expansion and financial welfare of Ohio's private colleges can be encouraged by an improved program of state financial assistance to students which would help to reduce the economic incentive for students to enroll in public universities.

4. The enrollment expansion and financial welfare of Ohio's private colleges can be encouraged by a new program of state assistance in capital improvements. A vehicle for the financing of such capital improvements is already in existence through the Ohio Higher Educational Facility Commission established by Chapter 3377 of the Ohio Revised Code. It is recommended that the Ohio Board of Regents be authorized by law to enter into contracts with private colleges to assist them in financing new instructional facilities required in order to expand student enrollment. Under such contract the payments to private

colleges and universities might be fixed at the amount required in rental payments for buildings constructed under the provisions of Chapter 3377 of the Revised Code.

5. The enrollment expansion and financial welfare of Ohio's private colleges can be encouraged by a new program of direct financial assistance to such institutions. It is recommended that the Ohio Board of Regents be authorized by law to enter into arrangements with The Ohio State University whereby each year books in the value of $50 per full-time equivalent students should be provided on permanent loan to each accredited private college through the Ohio College Library Center.

6. The enrollment expansion and financial welfare of Ohio's private colleges can be encouraged by increased attention on the part of these colleges themselves to their own financial management. Increased attention should be given to enrollment expansion in order to achieve economies of scale, to appropriate increases in the ratio of students to faculty, to elimination of high cost programs or areas of instruction, to additional possibilities for inter-institutional cooperation among both private and public institutions of higher education, and to reductions in general income expenditures for student financial assistance.

7. The State of Ohio should continue and expand its direct financial support of medical educational by Case Western Reserve University in the interests of the citizens of Cleveland and of Ohio, and the Board or Regents should explore the possibility of a similar program of assistance to education in dentistry by Case Western Reserve University.

8. It must be recognized that no private college or university is or should be under any compulsion to cooperate with the State of Ohio in implementing the programs of encouragement and assistance outlined herein.

PART c
A REVISION OF THE STATEMENT OF THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF OHIO AT THE PUBLIC HEARING ON THE MASTER PLAN FOR STATE POLICY IN HIGHER EDUCATION—1971
DECEMBER 7, 1970

Mr. Chairman, members of the Ohio Board of Regents and Chancellor Millett:

The Association of Independent Colleges and Universities of Ohio, through its Executive Committee, is pleased to comment on the broad principles and plans stated in the 1971 Master Plan of the Ohio Board of Regents. Although our institutions are members of the independent sector of higher education in Ohio, we are concerned about the welfare of all of higher education in our state. We hold this interest as both educators and taxpayers.

Across the years, the independent colleges and universities of Ohio have enjoyed a mutually helpful relationship with the public universities of the state in joint endeavors channeled through the Ohio College Association. In more recent years, these combined institutions both public and private have created the Ohio College Library Center. Together, the public and independent colleges and universities have labored for the welfare of all of higher education in this state.

Our Association firmly believes in the potential and strength of the dual system of higher education embracing both the public and private sectors. We are pleased, therefore, that the Master Plan for the 1970's suggests public policy which recognizes and proposes support for the social, educational and economic values embodied in this dual system.

The Executive Committee of our Association wishes to be on record in support of the following broad principles and proposals announced in the Master Plan which we believe should be adopted as significant public policy for all of post-secondary education in Ohio.

We support 1.) the need for clear-cut policy objectives; 2.) open access for young people to a variety of post-secondary educational opportunities; 3.) the State assuming the major responsibilities for support of graduate education; 4.) the concerns for appropriate standards of student conduct and discipline, professional conduct and discipline and effective institutional management; 5.) the need for increased levels of financial support by the state for higher education; and 6.) a fuller utilization by the State of Ohio of the independent colleges and universities.

The Association of Independent Colleges and Universities along with all of higher education in Ohio is committed to these educational objectives and is pleased to record its support of these broad principles as outlined in the Master Plan.

While the Executive Committee of the Association wishes to offer comments for the record on the relationship of independent institutions and the State, it must acknowledge the rich diversity in points of view within its member institutions. The Ohio Board of Regents surely had this diversity in mind when it said, "It must be recognized that no private college or university is or should be under any compulsion to cooperate with the State of Ohio in implementing the programs of encouragement and assistance outlined herein."

It is true that the major expansion in higher education in Ohio in the 1960's was in the public sector, including absorption and development of four private institutions into the public system of higher education. These accomplishments are commendable and all of Ohio is in the debt of those leaders who helped realize these achievements.

Nevertheless, the independent colleges and universities remain a significant human and financial resource to the State of Ohio and it would be the course of wisdom for public policy to utilize these resources to the fullest.

In 1969, 100,000 students were enrolled in private institutions while 265,000 were in public institutions. We are not prepared to describe all the resources of all the independent institutions which serve these 100,000 students. We can, however, report on some of the human and financial resources which served more than 77,000 students in 1969.

For as you know, the Association of Independent Colleges and Universities of Ohio is sponsoring a study of its 41 member institutions, a study which is being conducted by the Academy for Educational Development. The Association of Independent Colleges and Universities is in the process of transmitting information from this study to Chancellor Millett and will forward the entire study to him before January 1st.

The preliminary data in the Ohio Study of Independent higher Education, including 165 kinds of data which will result in 500,000 computer characters, are incomplete at the present time. Even so, they are reasonable figures for these institutions. In some instances the final figures will be higher than those reported in this statement.

The information in this study reveals the value of these institutions in human and financial terms; it, also, documents the fact that one of the major obstacles to a more complete utilization of the private institutions of the state of Ohio is the economic incentive for students to enroll in public institutions.

In the first place, the human and financial resources are reflected in statistics, such as the following ones: 40 of the member institutions of the Association of Independent Colleges and Universities, enrolling over 77,000 students in 1969,

had more than 4600 full time equivalent faculty receiving an average salary of $10,000, with over 56 million dollars spent on faculty salaries. The book value of the plants exceeded $597,000,000, almost .6 of a billion dollars. These colleges and universities received more than $233,000,000 in general revenues and expended in excess of $237,000,000. Forty of these institutions received over 14 million dollars in gifts. Over the years, generous persons have contributed well above $115,000,000 to their endowment funds.* It must be acknowledged that some have little or no endowment, while others hold sizeable endowment portfolios. 34 institutions holding endowment assets, reported income in excess of 11 million dollars.

In the second instance, the Ohio Study of Independent Higher Education clearly reveals the effect of the economic incentive for students to enroll in public universities: a slowdown in enrollments in many member institutions. In 1960-61, in 39 institutions, more than 47,000 undergraduates were enrolled. In those same institutions in 1965-66, there were almost 61,000 undergraduates, or an increase of about 28% during the five years. In 1969-70, in the same institutions, there were over 63,000 undergraduates enrolled or an increase from 1965-66 to 1969-70, of approximately 5%. This slowdown was dramatic.

During these last four years, member institutions of our Association planned for increased enrollments but these enrollments did not materialize. Our planning which was fairly comprehensive included the following: 1.) the building of new academic facilities with assistance of funds from the Academic Facilities Program of the federal Higher Education Act, administered by the Ohio Board of Regents, and with the assistance of millions of dollars from private philanthropy

* The figure on the endowment fund is not complete. The total would be much larger.

and 2.) the building of dormitories under the program of the Department of Housing and Urban Development or by private funding. It is now reported that there are empty beds in dormitories on some campuses. During these years, some of our member institutions saw evening programs evaporate and, in some cases, graduate programs disappear. The reason—the economic incentive for students to enroll in public universities.

Despite the experiences of the past four years, the Ohio Study of Independent Higher Education reveals that private institutions are projecting increases in enrollment for the next five years—a 10% increase. Personally, I am of the opinion that because of the recent experiences, the private sector of higher education finds it very difficult to project with any measure of confidence. This confidence will be regained when the independent institutions experience their human and economic resources utilized as fully as possible.

While AICUO appreciates the fact that the Ohio Board of Regents candidly discusses the future of private higher education and frankly lists various ways the State of Ohio might utilize the independent institutions for the public good, it seems appropriate that the further comments of this statement on the Master Plan should be limited to the topic in the plan entitled, "The State and Private Higher Education." To this end, the following observations are offered.

I

It is quite clear to us that the proposals for public policy for private higher education are intertwined with the proposals and suggested structure of public higher education. The expectations for utilizing private higher education and the means for realizing those expectations are only realistic if one assumes the adoption of the structure for public higher education as proposed in the master plan, that is, the two year campuses and 12 public universities with limited enrollments.

If, for example, that structure is not developed during the 1970's, and if four year public institutions are established, then a re-evaluation of the proposed public policy for private higher education would be absolutely necessary. Under such conditions, the proposal that the state should offer to absorb any of the private colleges or universities in Ohio desiring to be a part of the state system of higher education should be considered as public policy. The Master Plan says it quite rightly. "If it should develop that any new public four-year colleges should be created, it would appear appropriate and economical to develop them by absorption of existing private colleges."

However, if this course of action were followed, students would find their choices among institutions restricted and the diversity for post-secondary educational experiences would be reduced. Moreover, it is more economical for the state to assist independent colleges than it is to absorb them.

II

The improvements in the program of state financial assistance to students who are Ohio residents will probably help reduce the economic incentive for these students to enroll in public universities. It is certainly imperative that the Ohio Instructional Grant be improved to reduce that incentive and the proposed amendments to the Ohio Instructional Grant take two significant steps in that direction: the maximum grant is increased and level of effective income be increased.

How much the amendments to the Ohio Instructional Grant will reduce the incentive for students to attend public universities is unknown. Some facts are known at this time.*

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* Sixth Annual Report on College Costs—compiled by the East Ohio Gas Company

During this year—1970-71, the average instructional and other direct charges in the forty-one member institutions of the Association were $2,740. The average instructional and other direct charges in eleven state-assisted universities in Ohio listing tuition, room and board charges were $1,724.

Without the Ohio Instructional Grant, on the average, the economic incentive would be in favor of the public institution —a $936 difference.

With the Ohio Instructional Grant, on the average, the economic incentive might be calculated as follows:

I	Private Colleges	Public University
Average 1970-71 Charges	$2740	$1724
O.I.G. at $4,000, 3 children	$1500	$ 750
Remaining Costs	$1240	$ 974
Economic Incentive for Enrollment in Public University		$ 266
II		
Average 1970-71 Charges	$2740	$1724
O.I.G. at $7,000 and 3 children	$1200	$ 600
Remaining Costs	$1540	$1124
Economic Incentive for Enrollment in Public University		$ 416
III		
Average 1970-71 Charges	$2740	$1724
O.I.G. at $11,000, 3 children	$ 600	$ 300
Remaining Costs	$2140	$1424
Economic Incentive for Enrollment in Public University		$ 716

The proposed Ohio Instructional Grant narrows the gap between charges in the public institutions and charges in the private institutions, especially at the lower income levels. Nevertheless, the economic incentive, while reduced, still remains in favor of the public university.

Other facts are, also, known; private colleges will increase their charges. In fact, most of our member institutions will have higher charges in 1971-72, than in the present year.

The Ohio Study of Independent Higher Education shows that our member institutions reported and project the average tuition over the 1970's as follows:

Year	Average Tuition
1969-70	$1560
1970-71	1900
1975-76	2240
1979-80	2900

We strongly support the proposed attempt to improve the Ohio Instructional Grant, but must point out the fact that the independent institutions will increase their tuition and fees this next year whereas it is not as likely that the public universities will increase their tuition charges. If public universities do not increase tuition, then the Ohio Instructional Grant should be constructed to recognize the disproportionate annual increases in tuition in the private institutions. Perhaps, one way of treating the unequal tuition increases between the public and independent institutions would be for the State of Ohio to fund a cost-of-education grant to accompany the Ohio Instructional Grant to the independent institutions.

On the other hand, tuition increases in the public institutions undergirded by the Ohio Instructional Grant program

might not only reduce the incentive for students to enroll in public universities but might be wise public policy. No less a national forum than the American Council on Education heard precisely this proposal at its annual meeting in St. Louis in October.

III

The AICUO firmly endorses the proposed program of direct assistance to private colleges whereby each year books in the value of $50 per full-time equivalent student are provided on a permanent loan to each accredited private college through the Ohio College Library Center. This proposal is an innovative way to assist in the utilizing of the independent institutions.

It is to be hoped that "books" would be defined broadly enough to include all library materials whether in physical format or in microform. In addition, the costs of processing the books and materials should be allowed.

Some sets, particularly in microform should circulate among the libraries for a shorter term loan with central records kept in the Center. Actually the provision of materials in microform would be particularly advantageous to the smaller institutions. A group of larger research libraries in the United States average some 350,000 units of microforms while smaller Ohio colleges will have 10,000 (or often many fewer) units and do not usually have access to the larger collections. (See J. G. Veenstra, "Microimages and the Library", *Library Journal,* Oct. 15, 1970, p. 3443). There is now an increasingly larger body of microforms commercially available. Although the great majority of this material is too expensive for the smaller colleges, there is some of it which would have decidedly significant long term value—if relatively low level in quantitative demand—if it were accessible on a cooperative-access basis.

The AICUO, also, strongly supports the proposal of the Ohio College Library Center entitled, "Implementation of a Computerized Regional Library System". While this proposal is for a limited amount of time—July 1, 1971 - June 30, 1973, the continued support of the activity proposed would be extremely important to the independent colleges and universities.

IV

The continuing and expanded support of medical education at Case Western Reserve University should be developed and the exploration of assistance of education in dentistry should certainly be encouraged.

V

The type of direct assistance given to Case Western Reserve University could, with great profit, be developed into a form of assistance, contract for services, by the State of Ohio in other disciplines and with other private colleges.

VI

The possibility of contracts by the Ohio Board of Regents with private colleges in financing new instructional facilities would be imperative to the private colleges to handle expanded enrollments if the enrollments materialize.

VII

The call for more effective financial management on the part of the independent institutions is appropriate and challenging. It is anticipated that the Ohio Study of Private Higher Education and future updates of this study will assist private colleges in this task. The commitment to the study is a commitment to more effective management techniques.

The Association of Independent Colleges and Universities is vitally interested in the *Master Plan for State Policy in Higher Education, 1971*. It believes that the proposed policy suggests steps for a more imaginative and innovative utilization by the State of the existing resources in the independent institutions. It is pleased, therefore, to be on record in support of the broad principles and guidelines of the Master Plan.

Respectfully submitted,

Ivan E. Frick, President
Association of Independent
Colleges and Universities of Ohio
and
Findlay College

PART d

Supplemental Statement of
The Association of Independent Colleges and Universities
of Ohio
on the
Master Plan for State Policy
in Higher Education

December 21, 1970

Members of the Ohio Board of Regents and Chancellor Millett:

The Executive Committee of the Association of Independent Colleges and Universities of Ohio is appreciative of the efforts, dedication and wisdom of the Ohio Board of Regents in seeking the imput of ideas from the citizenry of the State of Ohio and the varied educational communities of our state before it prepares its final statement of public policy for higher education. We are especially cognizant of the patience of Chancellor John D. Millett in his efforts in this demanding and time consuming process.

In this statement, the Executive Committee of AICUO wishes to supplement the statement it presented at the public hearings on December 7th. This statement is issued for the following reasons:

1.) Public discussions and statements about the proposed Master Plan in the November 1970 draft have apparently altered the direction and substance of the public policy which will appear in the final published Master Plan.

2.) The Executive Committee of AICUO has received suggestions and comments on its December 7th statement from member institutions of AICUO.

Our supplemental statement is listed under two major headings:

I. Suggestions to the Ohio Board of Regents for an Effective Utilization of the Independent Institutions.

In order to achieve a more effective utilization of the independent colleges and universities of Ohio, the Executive Committee of AICUO urges the Ohio Board of Regents to

A. Amend the Ohio Institutional Grant to provide the Ohio student with the choice of an educational institution free from the present economic incentive to attend a public university.

B. Develop further the mechanism of Contract for Services to purchase from the independent institutions not only specific services but general educational services.

C. Assist the independent institutions in devising some means to provide cooperative planning between the public and private sectors of higher education.

First, we recommend that the Ohio Instructional Grant be amended to eliminate as far as possible the economic incentive for Ohio students to attend public universities. The proposed amendments in the November 1970, draft would not accomplish this end.

While our Advisory Committee on Student Financial Aid has not completed its study of the proposed amendments, we would like to recommend that the Ohio Board of Regents consider the following guidelines:

1.) A reasonable maximum grant should be established which would recognize and deal with the unequal tuitions between the public and independent institutions. Perhaps a base from which to work is the comparison between the average tuition or instructional

charges in the public institutions and the average tuition or instructional charge in the independent institutions.

2.) The administration of the grant and the forms for applying for the grant should be kept as simple as possible.

3.) The program of administration should, as presently is the case, allow financial aid officers to "package aid", utilizing the Ohio Instructional Grant in conjunction with federal funds, institutional and non-institutional funds.

4.) The effective income levels, if used, should be moved upward well above the $11,999 effective income level.

Secondly, we would urge serious consideration of contracts for services whereby the State of Ohio purchase from the independent institutions not only specific services, such as medical education, but general educational services. The purchase of general educational services could be determined by one of a variety of methods. Such method might be one of the following:

1. Cost reimbursement
2. Tuition equalization plus cash
3. Lump sum basis
4. On basis of "usual and customary" charge similar to purchase of hospital and medical service
5. On basis of total in-state enrollment
6. On basis of increase in in-state enrollment
7. On basis of number of graduates

Our revised statement is, in part, but only in part, based on what we regard as the "fluid" character of the discussions re-

garding public higher education, especially the structure of public higher education. As our Association said, on December 7th, "if . . . that structure is not developed . . . then a re-evaluation of the proposed public policy for private higher education would be absolutely necessary." (See page 7 of Statement of the Association of Independent Colleges and Universities of Ohio, dated December 7th.) Under any conditions, but especially those which seem to prevail now, we feel the above two proposals make the greatest educational and economic sense for the State of Ohio.

Thirdly, we strongly recommend that some device be established to provide for cooperative planning between private and public sectors. This cooperative planning should enhance both sectors of the valuable dual system rather than be the destruction of either.

II. Some Concerns of the Association of Independent Colleges and Universities of Ohio

We wish to convey to you some concerns which we have about the November draft of the Master Plan.

a. The diversity of the independent colleges and universities has produced significant educational contributions to the State of Ohio across many years. We would suggest that the Board of Regents in developing its strategy in the Master Plan, recognize the educational contributions stemming from this institutional diversity along with the rightful and necessary concerns with economic factors and economic planning.

b. We strongly believe that financial welfare is not necessarily tied to enrollment expansions. It is true that some institutions can achieve a greater "economy of scale" by enrollment expansions, but, indeed, others may not accomplish this end. Institutional financial needs are not solved by continuing and indescriminate

increases in the size of institutions. The experience of both the private and public sectors illustrates this point.

c. While we recognize that the Ohio Board of Regents and even a cooperative planning group between the public and private sectors of higher education must work from uniform or, at least, compatible accounting and data reporting systems, institutional management should maintain and support diversity in kinds of institutions to provide educational services to the inevitably diverse needs of a wide variety of human individuals.

Thus while we, too, share a concern for "economies of scale", "appropriate increase in the ratio of students to faculty" etc., we would hope that the Board of Regents would allow the independent institutions, perhaps through a proposed cooperative planning group, to distinguish between those independent institutions which are at or near capacity (capacity defined by individual colleges in terms of its program and facilities) and those substantially below capacity. We believe that the data in Ohio Study of Independent Higher Education would be very helpful in exploring this matter. In addition, we would hope that the utilization of the independent colleges by the State of Ohio would allow the independent institutions to develop their unique qualities and programs.

In our statement of December 7th, we indicated our support of other items in the Master Plan, such as the provision for loaning books to private institutions and support of special programs at Case Western Reserve University, etc. We will not repeat our discussion of these items in this statement.

At this point we do not know what the statement of the public policy in the final draft of the Master Plan by the Ohio Board of Regents will be; nor do we know completely what the

distinguished panel of citizens and educators will recommend to the Association of Independent Colleges and Universities of Ohio in its report preared under the leadership of the Academy for Educational Development. Thus, we ask for the opportunity for further dialogue with the Ohio Board of Regents in the days and years ahead.

Finally, we would like to reaffirm our concern for all of higher education in Ohio and our interest in seeing that appropriate public policy be developed to support all of higher education in our State.

Respectfully submitted,

Ivan E. Frick, President
Association of Independent
Colleges and Universities
of Ohio
and
Findlay College

MEMBERSHIP OF
ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF OHIO

Institution	President	Location
ASHLAND COLLEGE	Glenn L. Clayton	Ashland, Ohio 44805
BALDWIN-WALLACE COLLEGE	Alfred B. Bonds, Jr.	Berea, Ohio 44017
BLUFFTON COLLEGE	Robert Kreider	Bluffton, Ohio 45817
CAPITAL UNIVERSITY	Thomas H. Langevin	Columbus, Ohio 43209
CASE WESTERN RESERVE UNIV.	Louis A. Toepfer, (Acting)	Cleveland, Ohio 44106
CEDARVILLE COLLEGE	James T. Jeremiah	Cedarville, Ohio 45314
DAYTON, UNIVERSITY OF	Raymond A. Roesch	Dayton, Ohio 45409
DEFIANCE COLLEGE	W. Noel Johnston	Defiance, Ohio 43512
DENISON UNIVERSITY	Joel P. Smith	Granville, Ohio 43023
DYKE COLLEGE	Jay R. Gates	Cleveland, Ohio 44114
EDGECLIFF COLLEGE	Sister Jane Kirchner	Cincinnati, Ohio 45206
FINDLAY COLLEGE	Ivan E. Frick	Findlay, Ohio 45804
HEIDELBERG COLLEGE	Leslie H. Fishel, Jr.	Tiffin, Ohio 44883
HIRAM COLLEGE	Elmer Jagow	Hiram, Ohio 44234
JOHN CARROLL UNIVERSITY	Henry F. Birkenhauer	Cleveland, Ohio 44118
KENYON COLLEGE	William G. Caples	Gambier, Ohio 43022
LAKE ERIE COLLEGE	Paul Weaver	Painesville, Ohio 44077
MALONE COLLEGE	[illegible] L. Cattell	Canton, Ohio 44709
MARIETTA COLLEGE	Frank E. Duddy, Jr.	Marietta, Ohio 45750
MARY MANSE COLLEGE	Sister Rose Margaret Dostal	Toledo, Ohio 43610
MOUNT ST. JOSEPH, COLLEGE OF	Sister Adele Clifford	Cincinnati, Ohio 45051
MOUNT UNION COLLEGE	Ronald G. Weber	Alliance, Ohio 44601
MUSKINGUM COLLEGE	William P. Miller, (Acting)	New Concord, Ohio 43762
NOTRE DAME COLLEGE	Sister Mary Luke	Cleveland, Ohio 44121
OBERLIN COLLEGE	Robert Fuller	Oberlin, Ohio 44074
OHIO DOMINICAN COLLEGE	Sister M. Suzanne Uhrhane	Columbus, Ohio 43219
OHIO NORTHERN UNIVERSITY	Samuel L. Meyer	Ada, Ohio 45810
OHIO WESLEYAN UNIVERSITY	Thomas Wenzlau	Delaware, Ohio 43015
OTTERBEIN COLLEGE	Lynn W. Turner	Westerville, Ohio 43081
RIO GRANDE COLLEGE	Alphus R. Christensen	Rio Grande, Ohio 45674
ST. JOHN COLLEGE OF CLEVELAND	Lawrence P. Calhi[illegible]	Cleveland, Ohio 44114
STEUBENVILLE, COLLEGE OF	Kevin R. Keelan	Steubenville, Ohio 43952
URBANA COLLEGE	Paul A. Zahner	Urbana, Ohio 43078
URSULINE COLLEGE	Sister M. Konen Dulzer	Cleveland, Ohio 44124
WALSH COLLEGE	Robert Francoeur	Canton, Ohio 44720
WESTERN COLLEGE	William C. Spencer	Oxford, Ohio 45056
WILBERFORCE UNIVERSITY	Rembert E. Stokes	Wilberforce, Ohio 45384
WILMINGTON COLLEGE	Robert E. Hinshaw	Wilmington, Ohio 45177
WITTENBERG UNIVERSITY	D. Kenneth Andeen	Springfield, Ohio 45501
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